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BEFORE THE BOARD OF ACCOUNTANCY

DEPARTMENT OF CONSUMER AFFAIRS

STATE OF CALIFORNIA

In the Matter of the Accusation)	NO. AC-98-27
Against:)	
)	STIPULATED SETTLEMENT
WILLIAM E. LAWRENCE)	AND DECISION OF THE BOARD
17595 Vierra Canyon Road, #127)	
Salinas, CA 93907)	
)	
Certificate No. CPA 9169)	
)	
Respondent.)	

It is hereby stipulated by and between William E. Lawrence, C.P.A., (hereinafter "respondent") and the Board of Accountancy (hereinafter "Board"), State of California, represented in this proceeding by Deputy Attorney General Christiana Tiedemann, as follows:

1. That respondent has received and read the accusation presently on file and pending in case No. AC-98-27 before the Board. A copy of the accusation is attached hereto and incorporated herein as Exhibit A.

1 2. Carol Sigmann, Executive Officer of the Board, is the
2 Complainant in the accusation which was filed and prosecuted
3 solely in her official capacity.

4 3. Respondent is licensed by the Board under CPA
5 Certificate No. 9169. Respondent's license history is as set
6 forth in paragraph 2 of the attached accusation. Respondent's
7 license is current, without practice rights because of
8 respondent's failure to submit evidence of compliance with
9 continuing education rights.

10 4. The Board acquired jurisdiction over respondent because
11 respondent is a licensee of the Board and was served with copies
12 of the accusation and all other documents required by Government
13 Code section 11503 and 11505.

14 5. Respondent is aware of his right to a hearing on the
15 charges contained in the accusation, of his right to confront and
16 cross-examine witnesses, of his right to reconsideration, to
17 appeal and to all other rights accorded to him under the
18 California Administrative Procedure Act (Government Code section
19 11500 et seq.). Respondent freely and voluntarily waives these
20 rights.

21 6. In view of the fact that respondent is suffering from a
22 medical condition of uncertain duration which renders him unable
23 to practice as a certified public accountant, and in order to
24 avoid the time and expense necessary for an administrative
25 hearing, respondent agrees to surrender to the Board CPA
26 Certificate No. 9169.

27 7. Respondent understands that in signing this stipulation

1 rather than contesting the accusation, he is enabling the Board
2 to issue the following order without further legal process.

3 8. Based upon the foregoing recitals, THE PARTIES STIPULATE
4 AND AGREE THAT the Board shall, without further notice or formal
5 proceeding, issue the following order:

6 ORDER

7 (a) Respondent shall surrender CPA Certificate No.
8 9169 to the Board and the surrender of said certificate shall be
9 accepted by the Board on the effective date of this Decision.

10 (b) If respondent seeks reissuance of his CPA
11 Certificate or issuance of a new certificate from the Board, he
12 shall reimburse the Board for the costs of investigation and
13 prosecution of this case (Accusation No. AC-98-27) in the amount
14 of \$10,834.00 as a prerequisite to reissuance of his certificate
15 or issuance of a new certificate.

16 (c) If respondent seeks reissuance of his CPA
17 Certificate or issuance of a new certificate from the Board, the
18 allegations contained in accusation number AC-98-27 shall be
19 deemed admitted by respondent for the sole purpose of the Board's
20 consideration of respondent's re-application and for no other
21 purpose.

22 CONTINGENCY

23 9. This stipulation shall be subject to the approval of the
24 Board. If the Board fails to adopt this stipulation as its
25 Order, the stipulation shall be of no force and effect for either
26 party, nor shall it be mentioned or referred to in any legal
27 action between the parties.

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Dated: 4-4-99

SUBMITTAL

Dated: 4/12/99.

ADOPTION

By A. E. Melkerson
Board President

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of the State of California
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8 BEFORE THE BOARD OF ACCOUNTANCY

9 DEPARTMENT OF CONSUMER AFFAIRS

10 STATE OF CALIFORNIA

12 In the Matter of the Accusation) NO. AC-98-27
13 Against:)
14 WILLIAM E. LAWRENCE, C.P.A.)
532 Pajaro Street)
15 Salinas, CA 93901)
Certificate No. CPA 9169)
16 Respondent.)
17)
18)

19 COMPLAINANT CAROL SIGMANN charges and alleges:

20 1. She is the Executive Officer of the California Board of
21 Accountancy (hereafter "Board") and makes and files this
22 accusation solely in her official capacity.

23 LICENSE INFORMATION

24 2. On or about October 11, 1961, Certified Public
25 Accountant Certificate No. 9169 was issued by the Board to
26 respondent William E. Lawrence. Respondent's certificate expired
27 during the period June 1, 1993 through June 25, 1993, for failure
to pay the required renewal fee and failure to declare compliance

EXHIBIT A

1 with continuing education regulations. The certificate was
2 renewed effective June 26, 1993 through May 31, 1995, upon
3 receipt of the renewal fee and respondent's declaration of
4 compliance with the continuing education regulations. The
5 certificate expired during the period June 1, 1995 through June
6 23, 1995, for failure to pay the required renewal fee and failure
7 to declare compliance with continuing education regulations. The
8 certificate was renewed effective June 24, 1995 through May 31,
9 1997 upon receipt of the renewal fee and respondent's declaration
10 of compliance with continuing education regulations. The
11 certificate expired effective June 1, 1997 for failure to pay the
12 required renewal fee and failure to declare compliance with
13 continuing education regulations. The renewal fee was received
14 on June 28, 1997. To date, respondent has not submitted evidence
15 of compliance with continuing education regulations. As a
16 result, respondent's certificate is current without practice
17 rights.

18 Pursuant to Business and Professions Code section 118(b),
19 the expiration of respondent's certificate shall not deprive the
20 Board of jurisdiction to proceed with disciplinary action against
21 the certificate.

22 **STATUTES AND REGULATIONS**

23 3. This accusation is brought under the authority of
24 section 5100 of the Business and Professions Code which provides
25 that the Board may revoke, suspend or refuse to renew any permit
26 or certificate issued by the Board, or may censure the holder of
27 any such permit or certificate for unprofessional conduct.

1 Unprofessional conduct is defined therein to include:

2 (c) Dishonesty, fraud or gross negligence in the
3 practice of public accountancy or in the performance of
4 bookkeeping operations described in section 5052.

5 (f) Willful violation of this chapter or any rule or
6 regulation promulgated by the board.

7 4. Section 5037(b) of the Business and Professions Code
8 provides in pertinent part that a licensee shall furnish to his
9 or her client or former client, upon request and reasonable
10 notice:

11 (1) A copy of the licensee's working papers, to the
12 extent that those working papers include records that would
13 ordinarily constitute part of the client's records and are not
14 otherwise available to the client.

15 (2) Any accounting or other records belonging to, or
16 obtained from or on behalf of, the client which the licensee
17 removed from the client's premises or received for the client's
18 account. The licensee may make and retain copies of documents of
19 the client when they form the basis for work done by him or her.

20 5. Title 16, California Code of Regulations, section 68,
21 which is a regulation duly adopted by the Board, provides in
22 pertinent part that a licensee, after demand by or on behalf of a
23 client, for books, records or other data, whether in written or
24 machine sensible form, that are the client's records shall not
25 retain such records.

26 6. Section 3 of Title 16 of the California Code of
27 Regulations provides in pertinent part that each licensee shall

1 report to the Board in writing any change in his or her address
2 of record within 30 days after the change, including in the
3 report the licensee's previous address of record.

4 7. Section 5107 of the Business and Professions Code
5 provides that the executive officer of the Board may request the
6 administrative law judge as part of the proposed decision in a
7 disciplinary proceeding to direct any holder of a certificate
8 found guilty of unprofessional conduct in violation of
9 subdivisions (b), (c), (i) or (j) of section 5100, or involving a
10 felony conviction in violation of subdivision (a) of section
11 5100, or involving fiscal dishonesty in violation of subdivision
12 (h) of section 5100 to pay to the Board all reasonable costs of
13 investigation and prosecution of the case, including, but not
14 limited to, attorneys' fees.

15 **FIRST CAUSE FOR DISCIPLINARY ACTION**

16 8. During 1993, 1994, 1995 and 1996, respectively,
17 respondent agreed to prepare state and federal tax returns for
18 his longstanding client, M.A., for the 1992, 1993, 1994 and 1995
19 tax years.^{1/} In each of these years, M.A. provided respondent
20 with her personal financial records for preparation of her state
21 and federal tax returns.

22 9. Respondent failed to prepare federal and state tax
23 returns for M.A. for the tax years 1994 and 1995.

24 10. Respondent failed to prepare state tax returns for M.A.
25 for the 1992 and 1993 tax years.

26
27 1. The clients' initials are used to protect their
privacy. Their full names will be released to respondent during
discovery upon request.

1 11. Respondent is subject to disciplinary action for
2 unprofessional conduct pursuant to Business and Professions Code
3 section 5100(c) in that his repeated failure to file tax returns
4 for his client, after accepting her tax records and agreeing to
5 prepare the returns, constitutes gross negligence in the practice
6 of public accountancy.

7 **SECOND CAUSE FOR DISCIPLINARY ACTION**

8 12. The allegations contained in paragraphs 8-10 above are
9 incorporated herein by reference.

10 13. In 1996, when M.A. learned that respondent had failed
11 to prepare tax returns as engaged, she made repeated demands to
12 respondent, through her attorney, for return of her personal tax
13 records, including two written demands for return of her records.
14 In spite of these demands, respondent failed and refused to
15 return the records to M.A.

16 14. Respondent is subject to disciplinary action for
17 unprofessional conduct pursuant to Business and Professions Code
18 section 5100(f) in that he has wilfully violated provisions of
19 the Accountancy Act and Board regulations, to wit, section
20 5037(b) of the Business and Professions Code and section 68 of
21 Title 16 of the California Code of Regulations by failing to
22 return M.A.'s personal tax records to her after repeated demands
23 for return of the records.

24 **THIRD CAUSE FOR DISCIPLINARY ACTION**

25 15. Between approximately 1990 and 1996 respondent agreed
26 to prepare federal tax returns for his longstanding clients,
27 E.S.B. and the E.S.B. Trust. In each of these years, respondent

1 was provided with necessary financial records for E.S.B. and the
2 E.S.B. Trust for preparation of federal tax returns.

3 16. Respondent failed to prepare federal tax returns for
4 the 1990, 1991 and 1992 tax years for E.S.B.

5 17. Respondent failed to prepare federal tax returns for
6 the E.S.B. Trust for the 1990, 1991, 1992, 1993, 1994 and 1995
7 tax years.

8 18. Respondent is subject to disciplinary action for
9 unprofessional conduct pursuant to Business and Professions Code
10 section 5100(c) in that his repeated failure to prepare tax
11 returns for his clients, after accepting their financial records
12 and agreeing to prepare the returns, constitutes gross negligence
13 in the practice of public accountancy.

14 **FOURTH CAUSE FOR DISCIPLINARY ACTION**

15 19. During July of 1998, the Board received by return mail
16 a document mailed to respondent at his address of record. The
17 United States Postal Service indicated on the returned mail that
18 respondent had changed his address. On or about August 21, 1998,
19 Board staff contacted respondent with a written request that he
20 submit a change of address form to the Board and provided
21 respondent with a change of address form. To date, respondent
22 has not submitted a change of address form to the Board or
23 otherwise notified the Board of his change of address.

24 20. Respondent is subject to disciplinary action for
25 unprofessional conduct pursuant to Business and Professions Code
26 section 5100(f) in that he has wilfully violated provisions of
27 the Accountancy Act and Board regulations, to wit, section 3 of

1 Title 16 of the California Code of Regulations by failing to
2 report to the Board a change of his address of record within 30
3 days of the change.

4 PRAYER

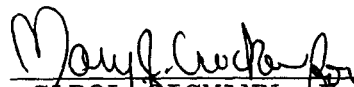
5 WHEREFORE, complainant requests that a hearing be held on
6 the matters herein alleged, and that following said hearing, the
7 Board issue a decision:

8 1. Revoking, suspending or otherwise imposing
9 discipline upon Certificate No. CPA 9169 issued to respondent
10 William E. Lawrence;

11 2. Awarding the Board costs and attorneys' fees as
12 provided by Business and Professions Code section 5107;

13 4. Taking such other and further action as the Board
14 deems proper.

15 DATED: 11-23-98

16 
17 CAROL SIGMANN, Executive Officer
18 Board of Accountancy
19 Complainant
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